

**[ MEMORANDUM ORDER NO. 73, September 12, 2002 ]**

**PROVIDING AMENDMENTS TO MO 51 S. 2002, "AMENDMENTS TO M.O. 346, AMENDING THE GUIDELINES ON THE CAR DEVELOPMENT PROGRAM (CDP), THE COMMERCIAL VEHICLE DEVELOPMENT PROGRAM (CVDP), AND THE MOTORCYCLE DEVELOPMENT PROGRAM (MDP)" AS AMENDED BY MO 473**

WHEREAS, the Philippines, as member of the World Trade Organization (WTO), has committed to eliminate all laws, provisions, rules, regulations, and guidelines that may run counter to the different Agreements under the auspices of the WTO to which the Philippines is a signatory, such as the Agreement of Trade-Related Investment Measures (TRIMS);

WHEREAS, the Agreement on TRIMS mandates the elimination of laws, provisions, rules, regulations, and guidelines that provide for local content (LC) and net foreign exchange earnings (NFEE) requirements as they are considered contrary to the provisions thereof;

WHEREAS, the Philippines was granted formal approval by the Council for Trade in Goods (CTG) for the extension of the applicability of the subject TRIMS for an additional period of 3½ years from, and after, 1 January 2000, the original expiry date of the transition period for the elimination of TRIMS, subject to a required phase-out schedule;

WHEREAS, in order to amplify the rates prescribed in the CDP, CVDP, MDP under Section 7.1 of Chapter 1 (CDP), Section 16 and 16.4 of Chapter II (CVDP) and Section 24.1 of Chapter III (MDP), Memorandum Order No. 51-A shall supercede Memorandum Order No. 51;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby amend Memorandum Order No. 51 dated 22 January 2002 and order the following:

**SECTION 1.** Section 7.1 Chapter I (CDP), Section 16.1 & 16.4 Chapter II (CVDP) and Section 24.1 of Chapter III (MDP) are hereby amended to read:

"Participants of the CDP, CVDP and MDP shall comply with the following local content requirements."

Period	CDP I & II	I & II	III	CVDP IVA	IVB	IVC	MDP IVD-V	Cat. A	Cat. B
Jan. 1, 2002 until  June 30, 2002	35%	39.375%	19.163%	18.76%	19.46%	11.839%	12.049%	39.375%	30.625%
July 1, 2002 until Dec. 31 2002	30%	33.750%	16.425%	16.08%	16.68%	10.148%	10.328%	33.750%	26.250%
Jan. 1, 2003 until June30, 2003	25%	28.125%	13.688%	13.40%	13.90%	8.456%	8.606%	28.125%	21.875%